



# ***Treasury Report On Receivables & Debt Collection Activities***

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**Debt Management Services**

**Financial Management Service**



# Overview

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## Debt Management Services

### Agency Liaison Branch

- Federal Government-wide TROR  
Overview & Analysis
- Agency Training

# Why are we here?

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**Delinquent non-tax debt continues to be an issue...**

- **2003: \$70.1 Billion**
- **2004: \$71.0 Billion**
- **2005: \$62.0 Billion**
- **2006: \$67.0 Billion**
- **In FY2006, collections from TOP & Cross-Servicing exceeded 3.25 billion dollars!**





***Treasury Report On  
Receivables & Debt  
Collection Activities  
(TROR)***



# What Is This TROR?

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- **A Management Report, Not an Accounting Report.**
- **Treasury's Only Comprehensive Means for Periodically Collecting Data on the Status and Condition of Federal Non-Tax Debt.**
- **Helps *Agencies* Manage Their Compliance with the Debt Collection Improvement Act (DCIA).**



# **What Is This TROR? (Continued)**

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- **Helps Treasury and Others Monitor and Report on Agencies' Performance.**
- **Helps *Treasury* Know the Extent of the Debt Collection Problem and What Agencies Need to Do to Fix Their Problems.**
- **Information Shared with Congress, OMB, and GAO, for Agency Performance Monitoring. Disseminated to CFOs, Other Federal and State Officials.**

# Targeted Improvements

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**Improved Debt Management by FPAs in areas such as:**

- ✓ **Aging of Debt (TROR, Part 1, Section B);**
- ✓ **Consistent Regular Referrals of Eligible Debt to Treasury in Accordance with the DCIA;**
- ✓ **Write Offs and Close Outs (OMB's A-129);**
- ✓ **TROR, Part 2, Section D, Debt Disposition (Closed Out, 1099-C, etc.);**
- ✓ **Overall Timeliness and Accuracy of the TROR!**

# Priorities & Strategies for FY07

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## Strategies:

- ✓ **Agencies' Continued Compliance with the DCIA.**
- ✓ **Agencies' Continued Timely and Correct Filing of the TROR.**
- ✓ **We are Urging Agencies to Refer All Eligible Debts at the 180-day Point.**
- ✓ **Encouraging the Use of the Administrative Wage Garnishment (AWG) Tool!**
- ✓ **Federal Agencies to Report to Credit Bureaus!**





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# CFO-MTS at FIDO GOV

## Financial Management Performance Indicators



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**Welcome to the Metric Tracking System (MTS) presented by the Chief Financial Officer's Council of the United States.**

### Overview

MTS is a performance measurement system that captures key financial management indicators across the Federal Government. The tool's intent is to provide government managers, Congress, and other stakeholders the information to assess the financial management health of the Federal Government as a whole and for each individual agency. Tracking performance on indicators helps to guide financial management reforms and targets resources to areas where better stewardship of Federal financial resources is needed.



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## **Metric #3a: Delinquent Accounts Receivable from Public:**

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**This metric measures:**

- ✓ **success of the FPAs in reducing/eliminating delinquent accounts receivable due from the public.**
- ✓ **An accounts receivable due from the public includes amount owed to the government by:**
  - **individual,**
  - **organization**
  - **foreign/sovereign entity**
  - **public entity (e.g., state or local governments)**

***Source is Treasury Report on Receivables; reported at quarter end only. It includes both accounts receivable referred to the Treasury and receivables not eligible for referral to Treasury for collection (i.e., accounts receivable in litigation).***

## Government Wide

### 3.Delinquent Accounts Receivable from Public Over 180 days

#### What does it measure?

The success in reducing or eliminating delinquent accounts receivable from the public. This metric is reported quarterly.

#### Why is it important?

It shows how well the agency actively collects debt. Actively collecting debt improves management accountability, reduces Treasury borrowing, and increases accuracy in reporting.

#### Goals

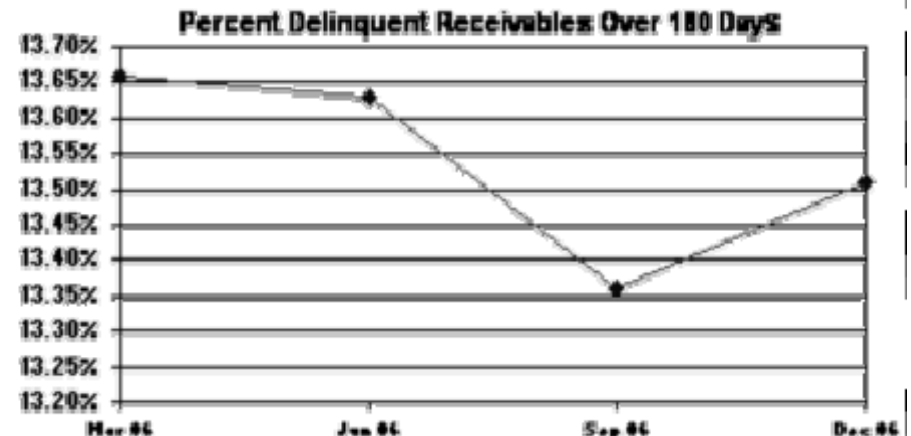
- Green – fully successful  $\leq 10\%$
- Yellow – minimally successful  $> 10\% - \leq 20\%$
- Red – unsuccessful  $> 20\%$

#### Status



Dec, 06: 13.51%

|        | Delinquent<br>Receivables<br>Over 180 Days | Total<br>Receivables | Percent<br>Delinquent<br>Receivables |
|--------|--|----------------------|--------------------------------------|
| Month  | (Billions)                                 | (Billions)           | Over 180 Days                        |
| Dec 06 | \$41.33                                    | \$305.71             | 13.51%                               |
| Sep 06 | \$40.07                                    | \$299.73             | 13.36%                               |
| Jun 06 | \$40.74                                    | \$298.65             | 13.63%                               |
| Mar 06 | \$40.50                                    | \$296.31             | 13.66%                               |
| Apr 04 |  |                      |                                      |
| Mar 04 |  |                      |                                      |
| Feb 04 |  |                      |                                      |
| Jan 04 |  |                      |                                      |
| Dec 03 |  |                      |                                      |
| Nov 03 |  |                      |                                      |
| Oct 03 |  |                      |                                      |
| Sep 03 |  |                      |                                      |
| Aug 03 |  |                      |                                      |



## Agency Rankings

### 3. Delinquent Accounts Receivable from Public Over 180 days

#### What does it measure?

The success in reducing or eliminating delinquent accounts receivable from the public. This metric is reported quarterly.

#### Why is it important?

It shows how well the agency actively collects debt. Actively collecting debt improves management accountability, reduces Treasury borrowing, and increases accuracy in reporting.

#### Goals

Green – fully successful <= 10%

Yellow – minimally successful > 10% - <= 20%

Red – unsuccessful > 20%

|       | Mar 06   | Jun 06     | Sep 06     | Dec 06     |
|-------|----------|------------|------------|------------|
| NASA  | G 5.67%  | ↓ R 31.80% |            |            |
| TREAS | G 0.32%  | G 0.29%    | G 0.27%    | G 0.26%    |
| NRC   | G 1.23%  | G 1.01%    | G 0.90%    | G 0.62%    |
| HUD   | G 3.45%  | G 3.63%    | G 3.71%    | G 1.94%    |
| DOE   | G 0.01%  | G 2.37%    | G 2.57%    | G 2.78%    |
| USDA  | G 3.21%  | G 3.20%    | G 3.16%    | G 3.00%    |
| GSA   | Y 14.85% | ↑ G 5.65%  | G 3.82%    | G 3.58%    |
| DOC   | G 9.05%  | G 8.79%    | G 4.30%    | G 7.37%    |
| AID   | G 9.23%  | G 9.64%    | ↓ Y 10.51% | Y 10.42%   |
| DOT   | Y 13.54% | Y 15.42%   | ↑ G 9.41%  | ↓ Y 11.78% |
| GOVT  | Y 13.66% | Y 13.63%   | Y 13.36%   | Y 13.51%   |
| DOI   | R 24.71% | R 24.22%   | ↑ Y 11.04% | Y 13.78%   |
| SSA   | Y 15.78% | Y 14.90%   | Y 16.42%   | Y 17.02%   |
| VA    | Y 16.03% | Y 15.56%   | Y 17.97%   | Y 18.94%   |
| ED    | Y 18.82% | Y 19.19%   | Y 18.51%   | Y 19.49%   |
| NSF   | Y 12.65% | ↓ R 37.87% | R 37.97%   | R 20.97%   |
| SBA   | R 37.09% | R 32.08%   | R 26.24%   | R 22.68%   |
| HHS   | R 27.76% | R 24.67%   | R 20.93%   | R 23.44%   |
| OPM   | R 24.84% | R 22.12%   | R 24.26%   | R 25.75%   |
| DHS   | R 32.87% | R 25.72%   | R 28.46%   | R 28.87%   |
| EPA   | R 39.83% | R 23.88%   | R 25.22%   | R 33.32%   |
| DOJ   | R 38.66% | R 47.96%   | R 34.34%   | R 34.95%   |
| DOS   | R 42.55% | R 38.40%   | R 40.69%   | R 44.00%   |
| DOL   | R 47.78% | R 46.57%   | R 45.43%   | R 45.97%   |
| DOD   | R 52.32% | R 51.19%   | R 51.72%   | R 51.13%   |

# Part I, Section A – Receivables and Collections

| Part I - Status of Receivables                                     |        |         |
|--|--------|---------|
|  | Number | Dollars |
| <b>Section A Receivables and Collections</b>                       |        |         |
| (1) Beginning FY Balance   |        |         |
| (2) New Receivables (+)  |        |         |
| (3) Accruals (+)   |        |         |
| (4) Collections on Receivables (-)                                 |        |         |
| (A) At Agency (-)  |        |         |
| (B) At Third Party (-)   |        |         |
| (C) Asset Sales (-)  |        |         |
| (D) Collections by Treasury through Offset and Cross-Servicing (-) |        |         |
| (E) Collections by Sale After Foreclosure (-)                      |        |         |
| (F) Collections by Department of Justice (-)                       |        |         |
| (G) Other - must footnote (-)                                      |        |         |
| (5) Adjustments (+ or -)   |        |         |
| (A) Reclassified/Adjusted Amounts (+ or -)                         |        |         |
| (B) Adjustments Due to Sale of Assets (+ or -)                     |        |         |
| (C) Consolidations (+ or -)  |        |         |
| (D) Foreclosure Adjustments (+ or -)                               |        |         |
| (E) Written-Off Debts Reinstated for Collections (+)               |        |         |
| (6) Amounts Written Off (-)  |        |         |
| (A) Currently Not Collectible (-)                                  |        |         |
| (B) Written Off and Closed Out (-)                                 |        |         |
| (7) <b>Ending Balance</b>  |        |         |

# Part I, Section B – Additional Receivables Information

| Part I - Status of Receivables                                  |        |         |
|---|--------|---------|
|   | Number | Dollars |
| <b>Section B Additional Receivables Data (Information Only)</b> |        |         |
| (1) Subsets of Ending Balance                                   |        |         |
| (A) Foreign/Sovereign Government (+)                            |        |         |
| (B) State and Local Government (+)                              |        |         |
| (C) Rescheduled Debt - Delinquent (+)                           |        |         |
| (D) Rescheduled Debt - Non-Delinquent (+)                       |        |         |
| (E) Interest & Late Charges (+)                                 |        |         |

# Treasury Report on Receivables and Debt Collection Activities

Government-wide -- Second Quarter 2007

| Part I - Status of Receivables                                     |            |                 |
|--|------------|-----------------|
|  | Number     | Dollars         |
| <b>Section A</b>   |            |                 |
| <b>Receivables and Collections</b>                                 |            |                 |
| 1 Beginning FY Balance   | 58,136,002 | 318,821,910,272 |
| 2 New Receivables (+)  | 52,906,703 | 81,552,676,970  |
| 3 Accruals (+)   |            | 6,441,803,543   |
| 4 Collections on Receivables (-)                                   |            | -69,342,211,151 |
| (A) At Agency (-)  |            | -67,201,644,552 |
| (B) At Third Party (-)   |            | -1,400,516,283  |
| (C) Asset Sales (-)  |            | -129,693,505    |
| (D) Collections by Treasury through Offset and Cross-Servicing (-) |            | -527,118,666    |
| (E) Collections by Sale After Foreclosure (-)                      |            | -7,500          |
| (F) Collections by Department of Justice (-)                       |            | -69,410,128     |
| (G) Other - must footnote (-)                                      |            | -13,820,517     |
| 5 Adjustments (+ or -)   | -861,695   | -6,436,456,688  |
| (A) Reclassified/Adjusted Amounts (+ or -)                         |            | -1,054,234,167  |
| (B) Adjustments Due to Sale of Assets (+ or -)                     |            | -56,414,247     |
| (C) Consolidations (+ or -)  |            | -5,485,313,856  |
| (D) Foreclosure Adjustments (+ or -)                               |            | -27,126,391     |
| (E) Written-Off Debts Reinstated for Collection (+)                |            | 186,631,973     |
| 6 Amounts Written Off (-)  | -676,254   | -3,040,014,792  |
| (A) Currently Not Collectible (-)                                  | -170,032   | -1,931,297,168  |
| (B) Written Off and Closed Out (-)                                 | -506,222   | -1,108,717,624  |
| 7 <b>Ending Balance</b>  | 61,285,871 | 327,997,708,154 |
| <b>Section B</b>   |            |                 |
| <b>Additional Receivables Data (Information Only)</b>              |            |                 |
| 1 Subsets of Ending Balance  |            |                 |
| (A) Foreign/Sovereign Government (+)                               | 15,189     | 21,804,379,091  |
| (B) State and Local Government (+)                                 | 31,165     | 13,536,129,521  |
| (C) Rescheduled Debt - Delinquent (+)                              | 13,331,307 | 40,972,432,122  |
| (D) Rescheduled Debt - Non-Delinquent (+)                          | 1,930,665  | 20,004,797,369  |
| (E) Interest & Late Charges (+)                                    |            | 7,051,381,035   |

**Total receivables government-wide increased approximately 3% from FY 2006!**



# Part I, Section C - Delinquent Debt (Aging Schedule)




| Part I - Status of Receivables                         |        |         |
|--|--------|---------|
|  | Number | Dollars |
| <b>Section C Delinquent Debt (Excluding CNC Debts)</b> |        |         |
| (1) Delinquencies by Age                               |        |         |
| (A) 1-90 Days (+)                                      |        |         |
| (B) 91-180 Days (+)                                    |        |         |
| (C) 181-365 Days (+)                                   |        |         |
| (D) 1-2 Years (+)                                      |        |         |
| (E) 2-6 Years (+)                                      |        |         |
| (F) 6-10 Years (+)                                     |        |         |
| (G) Over 10 Years (+)                                  |        |         |
| (H) <b>Total Delinquencies by Age</b>                  |        |         |
| (2) Delinquencies by Category                          |        |         |
| (A) Commercial (+)                                     |        |         |
| (B) Consumer (+)                                       |        |         |
| (C) Foreign/Sovereign Government (+)                   |        |         |
| (D) State and Local Government (+)                     |        |         |
| (E) <b>Total Delinquencies by Category</b>             |        |         |

# Treasury Report on Receivables and Debt Collection Activities

Government-wide -- Second Quarter 2007

## Section C

### Delinquent Debt (Excluding CNC Debts)

|   |                                      |  |                           |
|---|--------------------------------------|--|---------------------------|
| 1 | Delinquencies by Age                 |  |                           |
|   | (A) 1-90 Days (+)                    |  | 13,209,258,501            |
|   | (B) 91-180 Days (+)                  |  | 6,699,953,276             |
|   | (C) 181-365 Days (+)                 |  | 11,313,192,061            |
|   | (D) 1-2 Years (+)                    | <b>\$26,618,791,851 in delinquent debt &gt; 2 years old! = 41.2 %</b>                            | 6,742,927,892             |
|   | (E) 2-6 Years (+)                    | <b>47.3%</b>  | 12,593,293,251            |
|   | (F) 6-10 Years (+)                   | <b>17.6%</b>  | 4,691,397,485             |
|   | (G) Over 10 Years (+)                | <b>35.1%</b>  | 9,334,101,115             |
|   | (H) Total Delinquencies by Age       |  | 64,584,123,581            |
| 2 | Delinquencies by Category            |  |                           |
|   | (A) Commercial (+)                   | <b>Great opportunity for Treasury's Administrative Wage Garnishment!!!</b>                       | 510,876 14,013,980,828    |
|   | (B) Consumer (+)                     |  | 26,108,441 44,644,388,633 |
|   | (C) Foreign/Sovereign Government (+) |  | 24,429 4,806,901,671      |
|   | (D) State and Local Government (+)   |  | 4,920 1,118,852,449       |
|   | (E) Total Delinquencies by Category  |  | 26,648,666 64,584,123,581 |

**Of the delinquent debts > 2 years old, 35% are > 10 years old!!!**

# OMB's Circular A-129:

<http://www.whitehouse.gov/omb/circulars/a129/a129rev.html>

## Termination of Collection, Write-Off, Use of Currently Not Collectible (CNC), and Close-Out.

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***“Generally, write-off is mandatory for delinquent debt older than two years unless documented and justified to OMB in consultation with Treasury. Once the debt is written-off, the agency must either classify the debt as currently not collectible (CNC) or close-out the debt...”***

### **REFERENCES:**

#### **Statutory**

**31 U.S.C. § 3711; 26 C.F.R Part 1. 6050P-O, 26 C.F.R Part 1. 6050P-1**

#### **Regulatory**

**31 C.F.R. Part 903 Federal Claims Collection Standards, 26 C.F.R. Part 1.6050P-1**

#### **Guidance**

**FCPWG Final Report on Write-off Policy, Dated 12/15/98, Treasury/FMS "Managing Federal Receivables"**



# Write-off

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- After write-off debt must be classified as either:
  - Currently Not Collectible (CNC) or
  - Close-out

# Part II, Section A - Delinquent Debt 180 Days or Less

| Part II - Debt Management Tool and Technique Performance Data |        |         |
|---|--------|---------|
|   | Number | Dollars |
| <b>Section A Delinquent Debt 180 Days or Less</b>             |        |         |
| (1) Delinquencies 1-180 Days                                  |        |         |
| (A) In Bankruptcy (+)   |        |         |
| (B) In Forbearance or In Formal Appeals Process (+)           |        |         |
| (C) In Foreclosure (+)  |        |         |
| (D) At Private Collection Agencies (+)                        |        |         |
| (E) In Litigation (At DOJ or Agency Counsel) (+)              |        |         |
| (F) In the Process of Internal Offset (+)                     |        |         |
| (G) In Wage Garnishment (+)                                   |        |         |
| (H) At Treasury for Cross-Servicing (+)                       |        |         |
| (I) At Treasury for Offset (+)                                |        |         |
| (J) At Agency (+)   |        |         |
| (K) Other - must footnote (+)                                 |        |         |
| (L) <b>Total Delinquencies 1-180 Days</b>                     |        |         |

**Treasury Report on Receivables and Debt Collection Activities**  
Government-wide – Second Quarter 2007

**Part II - Debt Management Tool and Technique Performance Data**

|   | Number    | Dollars               |
|---|-----------|-----------------------|
| <b>Section A</b>                                    |           |                       |
| <b>Delinquent Debt 180 Days or Less</b>             |           |                       |
| <b>1 Delinquencies 1-180 Days</b>                   |           |                       |
| (A) In Bankruptcy (+)                               | 8,970     | 53,141,621            |
| (B) In Forbearance or in Formal Appeals Process (+) | 243,724   | 228,667,394           |
| (C) In Foreclosure (+)                              | 1,897     | 276,709,724           |
| (D) At Private Collection Agencies (+)              | 181,624   | 747,148,883           |
| (E) In Litigation (At DOJ or Agency Counsel) (+)    | 8,417     | 96,402,460            |
| (F) In the Process of Internal Offset (+)           | 75,376    | 86,146,535            |
| (G) In Wage Garnishment (+)                         | 1,612     | 4,558,451             |
| (H) At Treasury for Cross Servicing (+)             | 13,305    | 41,673,052            |
| (I) At Treasury for Offset (+)                      | 38,441    | 78,426,768            |
| (J) At Agency (+)                                   | 4,527,383 | 14,421,403,919        |
| (K) Other - must footnote (+)                       | 992,253   | 3,831,578,486         |
| <b>(L) Total Delinquencies 1-180 Days</b>           |           | <b>19,909,211,777</b> |

## Part II, Section B-Line Item (1) - Debt Eligible for Referral to Treasury For Collection

| Part II - Debt Management Tool and Technique Performance Data  |        |         |
|--|--------|---------|
|  | Number | Dollars |
| <b>Section B Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Offset and Cross-Servicing</b> |        |         |
| (1) Debt Eligible for Referral to Treasury for Collection  |        |         |
| (A) Delinquent Debt Over 180 Days (+)  |        |         |
| (B) Currently Not Collectible Debts (+)  |        |         |
| (C) Total Delinquent Debt Over 180 Days and CNC Debts  |        |         |
| <b>Debts Ineligible for Treasury Offset Program (TOP) and Cross-Servicing (lines D through G)</b>                            |        |         |
| (D) In Bankruptcy (-)  |        |         |
| (E) In Forbearance or Formal Appeals Process (including Litigation) (-)  |        |         |
| (F) In Foreclosure (-)   |        |         |
| (G) Other - <u>must footnote</u> (+ or -)  |        |         |
| (H) Balance of Debt Eligible for Referral to Treasury for Collection   |        |         |

**Treasury Report on Receivables and Debt Collection Activities**  
Government-wide – Second Quarter 2007

**Section B**

**Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Offset and Cross-Servicing**

**1 Debt Eligible for Referral to Treasury for Collection**

|   |  |                |
|---|--|----------------|
| (A) Delinquent Debt Over 180 Days (+)                 |  | 44,861,063,190 |
| (B) Currently Not Collectible Debt (+)                |  | 16,251,925,863 |
| (C) Total Delinquent Debt Over 180 Days and CNC Debts |  | 61,112,989,053 |

**Debts Ineligible for Treasury Offset Program (TOP) and Cross-Servicing (lines D through G)**

|   |            |                |
|---|------------|----------------|
| (D) In Bankruptcy (-)   | -77,227    | -2,026,528,239 |
| (E) In Forbearance or Formal Appeals Process (including Litigation) (-) | -5,068,372 | -6,937,132,671 |
| (F) In Foreclosure (-)  | -15,549    | -2,933,675,644 |
| (G) Other - <u>must footnote</u> (+ or -)                               | -694,465   | -4,842,522,906 |
| (H) Balance of Debt Eligible for Referral to Treasury for Collection    | 9,247,692  | 44,373,129,593 |



## Part II, Section B- Line Item (2) Debt Eligible for Referral to Treasury Offset Program

| Part II - Debt Management Tool and Technique Performance Data  |        |         |
|--|--------|---------|
|  | Number | Dollars |
| <b>Section B Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Offset and Cross-Servicing</b> |        |         |
| (2) Debt Eligible for Referral to Treasury Offset Program  |        |         |
| (A) Debt Eligible for Referral to Treasury for Collection (from 1H)  |        |         |
| (B) Foreign/Sovereign Debt (-)   |        |         |
| (C) Debt in Litigation for Enforced Collection (-)   |        |         |
| (D) Other - <u>must footnote</u> (+ or -)  |        |         |
| (E) Debt Required to be Referred to Treasury Offset Program by Agency  |        |         |
| (F) Debt Referred to Treasury Offset Program (-)   |        |         |
| (G) Debt Referred to Treasury Offset Program through Cross-Servicing (-)   |        |         |
| (H) Balance Remaining to be Referred   |        |         |

**Treasury Report on Receivables and Debt Collection Activities**  
Government-wide – Second Quarter 2007

|  |            |                 |
|--|------------|-----------------|
| <b>2 Debt Eligible for Referral to Treasury Offset Program</b>           |            |                 |
| (A) Debt Eligible for Referral to Treasury for Collection (from 1H)      | 9,247,692  | 44,373,129,593  |
| (B) Foreign/Sovereign Debt (-)   | -4,518     | -3,958,656,632  |
| (C) Debt in Litigation for Enforced Collection (-)                       | -53,761    | -3,897,610,651  |
| (D) Other - <u>must footnote</u> (+ or -)                                | -158,141   | -2,324,716,811  |
| (E) Debt Required to be Referred to Treasury Offset Program by Agency    | 9,031,272  | 34,192,145,499  |
| (F) Debt Referred to Treasury Offset Program (-)                         | -7,791,871 | -24,407,495,912 |
| (G) Debt Referred to Treasury Offset Program through Cross-Servicing (-) | -335,866   | -6,885,940,348  |
| (H) Balance Remaining to be Referred                                     | 903,535    | 2,898,709,239   |

**FPA's should ensure proper reporting of the TOP referrals to be in compliance with the DCIA.**

**91% referred to TOP by the FPA's**

# Part II, Section B- Line Item (3) Debt Eligible for Referral to Treasury Cross Servicing

| Part II - Debt Management Tool and Technique Performance Data  |        |         |
|--|--------|---------|
|  | Number | Dollars |
| <b>Section B Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Offset and Cross-Servicing</b> |        |         |
| (3) Debt Eligible for Referral to Treasury or a Designated Debt Collection Center for Cross-Servicing                        |        |         |
| (A) Debt Eligible for Referral to Treasury for Collection (from 1H)  |        |         |
| (B) Foreign/Sovereign Debt (-)   |        |         |
| (C) Debt in Litigation for Enforced Collection (-)   |        |         |
| (D) At Private Collection Agencies (-)   |        |         |
| (E) In the Process of Internal Offset (-)  |        |         |
| (F) Debt Exempted by Treasury from Cross-Servicing (-)   |        |         |
| (G) Debts Returned from Cross-Servicing (-)  |        |         |
| (H) Other - <u>must footnote</u> (+ or -)  |        |         |
| (I) Debt Required To Be Referred To Treasury or a Designated Debt Collection Center for Cross-Servicing                      |        |         |
| (J) Debt Referred to Treasury or a Designated Debt Collection Center for Cross-Servicing (-)                                 |        |         |
| (K) Balance Remaining to be Referred   |        |         |

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|  |            |                 |
|--|------------|-----------------|
| <b>3 Debt Eligible for Referral to Treasury or a Designated Debt Collection Center for Cross-Servicing</b> |            |                 |
| (A) Debt Eligible for Referral to Treasury for Collection (from 1H)  | 9,247,692  | 44,373,129,593  |
| (B) Foreign/Sovereign Debt (-)   | -4,531     | -3,958,675,823  |
| (C) Debt in Litigation for Enforced Collection (-)   | -58,736    | -4,016,152,763  |
| (D) At Private Collection Agencies (-)   | -2,975,207 | -9,923,049,311  |
| (E) In the Process of Internal Offset (-)  | -120,634   | -312,447,648    |
| (F) Debt Exempted by Treasury from Cross-Servicing (-)   | -5,253,788 | -13,243,987,507 |
| (G) Debt Returned from Cross-Servicing (-)   | -16,479    | -431,199,195    |
| (H) Other - <u>must footnote</u> (+ or -)  | -76,948    | -2,114,674,026  |
| (I) Debt Required to be Referred to Treasury or a Designated Debt Collection Center for Cross-Servicing    | 741,369    | 10,372,943,320  |
| (J) Debt Referred to Treasury or a Designated Debt Collection Center for Cross-Servicing (-)               | -474,558   | -8,575,930,841  |
| (K) Balance Remaining to be Referred   | 266,811    | 1,797,012,479   |

**As of the 2<sup>nd</sup> Quarter FY2007, the FPAs only referred 83% of their eligible delinquent debt to Treasury Cross-Servicing!!!**

## Part II, Section C- Collections on Delinquent Debt

| Part II - Debt Management Tool and Technique Performance Data         |        |         |
|---|--------|---------|
|   | Number | Dollars |
| <b>Section C Collections on Delinquent Debt</b>                       |        |         |
| (1) Collections on Delinquent Debt                                    |        |         |
| (A) By Private Collection Agencies (+)                                |        |         |
| (B) By Litigation (+)   |        |         |
| (C) By Internal Offset (+)  |        |         |
| (D) By Third Party (+)  |        |         |
| (E) By Asset Sales (+)  |        |         |
| (F) By Wage Garnishment (+)   |        |         |
| (G) By Treasury/Designated Debt Collection Center Cross-Servicing (+) |        |         |
| (H) By Treasury for Offset (+)  |        |         |
| (I) By Agency (+)   |        |         |
| (J) Other - must footnote (+)   |        |         |
| (K) <b>Total Collections on Delinquent Debt</b>                       |        |         |

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**Section C**

**Collections on Delinquent Debt**

|   |           |                      |
|---|-----------|----------------------|
| <b>1 Collections of Delinquent Debt</b>                                 |           |                      |
| (A) By Private Collection Agencies (+)                                  | 585,912   | 325,320,000          |
| (B) By Litigation (+)   | 16,381    | 85,993,636           |
| (C) By Internal Offset (+)  | 130,746   | 80,562,227           |
| (D) By Third Party (+)  | 243,569   | 960,432,497          |
| (E) By Asset Sales (+)  | 1,170     | 238,584              |
| (F) By Wage Garnishment (+)   | 299,024   | 100,445,012          |
| (G) By Treasury / Designated Debt Collection Center Cross Servicing (+) | 55,907    | 68,773,609           |
| (H) By Treasury Offset (+)  | 1,084,429 | 556,868,131          |
| (I) By Agency (+)   | 1,241,625 | 4,495,451,644        |
| (J) Other - must footnote (+)   | 1,941     | 6,363,671            |
| <b>(K) Total Collections on Delinquent Debt</b>                         |           | <b>6,680,449,011</b> |

**As of the 2<sup>nd</sup> Quarter of FY2007, the FPAs have collected over four (4) billion dollars at their agencies!!! Great work!!!**

# Part II, Section D-CNC Debt Status

| Part II - Debt Management Tool and Technique Performance Data                  |        |         |
|--|--------|---------|
|  | Number | Dollars |
| <b>Section D CNC Debt Status</b>   |        |         |
| (1) Currently Not Collectible Debts (Written Off and Not Closed Out)           |        |         |
| (A) At Private Collection Agencies (+)   |        |         |
| (B) At Treasury or a Designated Debt Collection Center for Cross-Servicing (+) |        |         |
| (C) At Treasury for Offset (+)   |        |         |
| (D) Other - must footnote (+)  |        |         |
| (E) Total-Currently Not Collectible Debts (1A thru 1D not mutually exclusive)  |        |         |
| (2) CNC Debts Closed Out During the Current FY (+)                             |        |         |

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**Section D**  
**CNC Debt Status**

|   |  |         |                |
|---|--|---------|----------------|
| 1 | Currently Not Collectible Debts (Written Off and Not Closed Out)               |         |                |
|   | (A) At Private Collection Agencies (+)   | 22      | 29,115         |
|   | (B) At Treasury or a Designated Debt Collection Center for Cross Servicing (+) | 347,325 | 8,021,526,736  |
|   | (C) At Treasury for Offset (+)   | 244,018 | 1,104,965,960  |
|   | (D) Other - must footnote (+)  | 163,784 | 7,549,077,443  |
|   | (E) Total - Currently Not Collectible Debts (1A-D not mutually exclusive)      | 748,144 | 16,251,925,863 |
| 2 | CNC Debts Closed Out During the Current FY (+)                                 | 18,527  | 675,570,410    |

**This total continues to rise from FY2006 TROR reports.  
Can any of these debts be written off and closed-out?**



## Part II, Section E-Disposition of Closed-Out Debts

| Part II - Debt Management Tool and Technique Performance Data                      |        |         |
|--|--------|---------|
|  | Number | Dollars |
| <b>Section E Disposition of Closed-Out Debts</b>                                   |        |         |
| (1) Debts Closed Out During the Previous Calendar Year (CNC and Non-CNC Debts) (+) |        |         |
| (A) Reported to IRS on Form 1099-C (+)   |        |         |
| (B) Not Reported to IRS on Form 1099-C - (must footnote) (1-1A)                    |        |         |

**Treasury Report on Receivables and Debt Collection Activities**  
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**Section E**

**Disposition of Closed-Out Debts**

|   |  |         |               |
|---|--|---------|---------------|
| 1 | Debts Closed Out During the Previous Calendar Year (CNC and Non-CNC Debts) (+) | 148,252 | 1,738,356,297 |
|   | (A) Reported to IRS on Form 1099-C (+)   | 95,652  | 745,550,346   |
|   | (B) Not Reported to IRS on Form 1099-C - (must footnote) (1-1A)                | 52,600  | 992,805,951   |

**Interesting that in FY2006, almost one (1) billion dollars was written off and closed-out with no potential return...**

**Some of these closed-out debts were under the \$600.00 threshold required for the filing of a 1099-C to the IRS.**



# **TROR Est Omnis Divisa In Partes Tres**

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- **Part III – Footnotes**
  - **Tells us a story**
  - **Clarify any of the line items on the report**
  - **Explain any major reporting changes or differences that may have occurred during the quarter or fiscal year**
  - **When in doubt, footnote It**

# Agency Liaison Branch

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- **6 Analysts assigned to all CFO and Non-CFO agencies**
- **Assist FPAs to ensure accuracy of TROR reporting**
- **Support BDMOC with FPAs cross-servicing issues**
- **Initiate and maintain relationships with FPAs on all debt collection matters**



# **Additional Debt Management Information!**

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- **DMS Certifications/Verifications:**
  - **Cross-Servicing Debt Certifications – Annual**
  - **TROR Certification/Verification – Annual**
  - **FedDebt Certification – Annual**
  - **TOP Debt Certification – Annual**

**<http://fms.treas.gov/debt/dmrpts.html>**

- **Managing Federal Receivables!**

**[http://www.fms.treas.gov/debt/Guidance\\_MFR.html](http://www.fms.treas.gov/debt/Guidance_MFR.html)**



# **Additional TROR Information!**

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## **“Single Sign-On” Initiative**

FMS will be implementing the Debt Management Information System (DMIS) to follow FMS Single Sign-On initiatives.

This will eventually allow agency users to login to FMS systems in which the user has appropriate access, with a single user ID and password. Once this technology is implemented, DMIS (TROR) users will contact the FMS Help Desk (202-874-4357), for any questions related to system access, including resetting their DMIS (TROR) user ID and password.

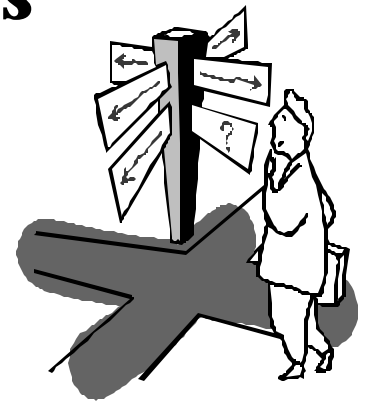
# Agency Training

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- **DMS/AASD offers related workshops specifically tailored to meet your agency needs**

**Register On-Line Early!**

**<http://fms.treas.gov/debt/training.html>**





**For further information contact:**

**Your DMS Agency Liaison**

**Listed @**

**<http://fms.treas.gov/debt/dmrpts.html>**



UNITED STATES  
DEPARTMENT OF  
THE TREASURY





# **Accounting & Agency Services Division**

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# Questions?

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